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February 16, 1999

Magalie Roman Salas  
Secretary  
Federal Communications Commission  
445 Twelfth Street, S. W.  
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Washington, DC 20554

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**FEB 16 1999**

**FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY**


Re: In the Matter of Amendment of the Commission's Rules  
with Regard to the 3650-3700 MHZ Government Transfer Band  
ET Dkt.No. 98-237

Dear Ms. Salas:

Transmitted herewith, on behalf of Telephone and Data Systems, Inc., are an original and four copies of its comments in the above-referenced matter.

In the event there are any comments or questions concerning this matter, please direct them to the undersigned.

Very truly yours,

  
George Y. Wheeler

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FEB 16 1999

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554

In the Matter of )  
 )  
Amendment of the Commission's Rules ) ET Docket No. 98-237  
with Regard to the 3650-3700 MHZ )  
Government Transfer Band )

To: The Commission

COMMENTS OF  
TELEPHONE AND DATA SYSTEMS, INC.

Telephone and Data Systems, Inc., on behalf of itself and its subsidiaries (collectively "TDS"), by its attorneys, submits its comments in response to the Commission's Notice of Proposed Rule Making and Order ("NPRM"), released December 18, 1998 in the above-captioned proceeding.

Introduction

TDS and its subsidiaries, Aerial Communications, Inc. ("Aerial"),<sup>1</sup> TDS Telecommunications Corporation ("TDS Telecom")<sup>2</sup> and United States Cellular Corporation ("USCC"),<sup>3</sup> which have extensive Personal Communications Service, wireline telephone, and cellular operations, respectively, have strongly supported the development and implementation of emerging technologies

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<sup>1</sup> Aerial provides PCS service in the Minneapolis, Tampa-St. Petersburg-Orlando, Houston, Pittsburgh, Kansas City and Columbus Major Trading Areas ("MTAs"). These MTA markets have a combined population of approximately 27.6 million.

<sup>2</sup> TDS Telecom provides wireline telephone service primarily in rural and suburban areas with more than 547,000 access lines served by its 105 telephone companies in twenty-eight states.

<sup>3</sup> USCC provides cellular telephone service to approximately two million customers through 136 majority-owned and managed cellular systems serving approximately 17% of the geography and approximately 9% of the population of the United States (approximately 24.1 million).

which promise to improve and expand the quality, scope and cost effectiveness of their service offerings in numerous proceedings.

TDS supports the Commission's broad goals to promote deployment of advanced telecommunications capabilities, access to such capabilities in rural and high cost areas, and healthy competition to maximize the public benefits from the use of such emerging technologies. Existing and incumbent providers should have access to such emerging technologies to establish, expand, and improve their services in existing and new geographic service areas. Particularly for service to rural and high cost areas, it is essential that incumbent providers, including rural telephone companies and others have opportunities to be licensed for such emerging technologies.

The Commission's proposed reallocation of the 3650-3700 MHZ band for terrestrial fixed services should be adopted to expand the spectrum options for a broad range of new fixed point-to-point and point-to-multipoint services, directly linking residences, businesses, and other fixed locations to diverse networks. As discussed here, TDS supports:

- Geographic Service Area Size. The Commission should adopt a local or sub-regional "community of interest" definition of service areas for the 3650-3700 MHZ band. TDS strongly opposes licensing on a nationwide or large regional basis.
- Channelization. The Commission should create multiple licensing opportunities in each service area, such as two 20 MHZ blocks and one 10 MHZ block. TDS strongly opposes licensing of the band as a single 50 MHZ block.
- Service Rules. The Commission should propose in subsequent phases of this proceeding to apply its Wireless Communications Service ("WCS") (Part 27) service rules, modified as necessary.

### Discussion

#### 1. Adoption of Nationwide Licensing Would Not Serve the Public Interest

In response to the Commission's request for comment (NPRM, ¶ 10), TDS supports adoption of a local or sub-regional geographic service area when such matters are addressed in subsequent phases of this rulemaking proceeding. Basic Trading Areas ("BTAs") or Economic Areas ("EAs") are potentially large enough to reflect the "community of interest" which wireless local loop service offerings are designed to achieve, to offer realistic opportunities for diversity of ownership and to promote competition.

The Commission should reject nationwide or large regional service areas as fundamentally contrary to its pro-competitive goals. Restricting licensing in this manner creates opportunities for non-competitive or anti-competitive behavior and for inefficient license allocations. Given the importance of advanced technology deployment, particularly in rural and high cost areas, the Commission should be focusing on sub-regional service area sizes such as BTAs or EAs which provide strong incentives for rapid deployment of advanced technologies in diverse and widespread areas. Such smaller service area sizes also tends to promote technological innovation, interoperability, and development of innovative services and pricing.

#### 2. Channelization of the 3650-3700 MHZ Block Should Promote Use of Emerging Technologies by Incumbents and New Entrants.

The Commission's goals to promote deployment of advanced technologies, service to rural and high cost areas and robust competition can best be met if the 3650-3700 MHZ band is channelized to provide multiple licensing opportunities for incumbents as well as new entrants. TDS would support a channel plan which includes two 20 MHZ blocks and one 10 MHZ block in each

geographic service area. It opposes the possible adoption of a single 50 MHz block for many of the same reasons that TDS opposes nationwide or large regional service areas.

3. Wireless Communications Service (Part 27) Modified as Necessary, Should be Proposed as the Service Rules for 3650-3700 MHz.

In response to the Commission's request for comment on possible approaches to the service rules to be considered in subsequent phases of this rulemaking proceeding, TDS supports the general approach taken in the Commission's Wireless Communications Services (Part 27) rules. The promotion of a broad range of permitted services, geographic service area options (which TDS proposes should be sub-regional such as BTA or EA size), channelization to permit multiple competitive services, open eligibility, flexible construction/build out requirements, exclusion from Spectrum Cap restrictions,<sup>4</sup> and disaggregation and partitioning options are all appropriate for the licensing/service rules governing the 3650-3700 MHz band.

Conclusion

The Commission should adopt its proposed reallocation of the 3650-3700 MHz band to make available adequate spectrum for emerging and advanced offerings of fixed point-to-point and point-to-multipoint services. The opportunities for deployment of emerging technologies capable of meeting requirements spanning the range from traditional voice telephony to broadband, high-speed, data and video services potentially will provide important consumer benefits, particularly for

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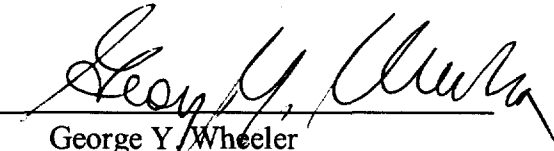
<sup>4</sup>

Section 20.6 of the Commission's rules.

rural and high cost areas.

Respectfully submitted,

TELEPHONE AND DATA SYSTEMS, INC.

By   
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February 16, 1999